The business case for narrowing the gender pay gap for engineers

There is a wealth of evidence on the positive results that businesses achieve when they have a diverse pool of talent. This research found that a specific business case exists for taking action to reduce the gender pay gap in engineering.

01. Talent attraction

Young women entering the profession are checking published gender pay gap reports and are asking prospective employers what action they are taking to close the gap.

02. Trust

A credible action plan to address the underlying causes of the gender pay gap is seen by employees as a test of real commitment to diversity and inclusion.

03. Winning business

Public sector clients are asking prospective contractors about their gender pay gap and what they are doing to address it.

Recommendations for engineering employers

Understand the causes of the gender pay gap for engineers and which solutions are proven effective

Analyse data to understand your organisation's gender pay gap

Introduce a transparent pay and progression policy and publish salary ranges

Publish a credible action plan

- Go beyond the government's mandated requirements
- Focus on actions within your control
- Report on which actions you are taking that are proven to have a positive impact

There is no shortage of advice, guidance and case studies of good practice to support employers with the recruitment, retention and progression of women in engineering. In addition to recommendations listed in the report, there is a recommended reading list for more detailed advice and guidance on how to tackle the issues that contribute most to the gender pay gap.

About Royal Academy of Engineering

As the UK's national academy for engineering and technology, we bring together the most successful and talented engineers from academia and business – our Fellows – to advance and promote excellence in engineering for the benefit of society.

We harness their experience and expertise to provide independent advice to government, to deliver programmes that help exceptional engineering researchers and innovators realise their potential, to engage the public with engineering and to provide leadership for the profession.

We have three strategic priorities:

- Make the UK the leading nation for engineering innovation and businesses
- Address the engineering skills and diversity challenge
- Position engineering at the heart of society

We bring together engineers, policymakers, entrepreneurs, business leaders, academics, educators and the public in pursuit of these goals.

Engineering is a global profession, so we work with partners across the world to advance engineering's contribution to society on an international, as well as a national scale.

@RAEngNews #EngDiversity

www.raeng.org.uk/gender-pay-gap

ROYAL ACADEMY OF ENGINEERING

WISE campaign for gender balance in science, technology & engineering

Closing the engineering gender pay gap

Key findings from **the analysis**

The data analysis is based on pay data for just under 42,000 engineers from 25 companies. While it is a large data set, we recognise that it does not represent the profession as a whole.

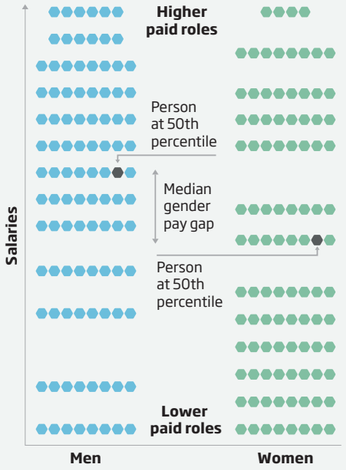
01. The topic **confuses people.**

What's the difference between equal pay and the gender pay gap?

The **gender pay gap** is the difference in average hourly earnings for all men and all women across an organisation, a sector, or the economy as a whole.

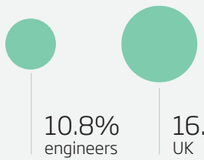
Equal pay is paying men and women the same salary for the same (or similar) work. Unequal pay has been unlawful since 1970.

This research identified widespread confusion among engineers and engineering employers about equal pay and the gender pay gap; little understanding about the underlying causes of the engineering gender pay gap; and low awareness of publicly available reports that identify measures that are proven to make the most difference to women's pay and progression.

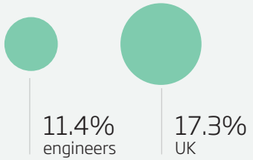


02. The gender pay gap for engineers in the sample is **smaller than the gender pay gap for all UK workers.**

Mean gender pay gap

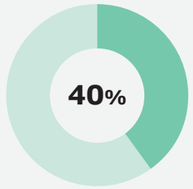


Median gender pay gap

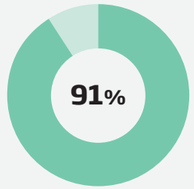


Reducing this gap entirely will take concerted effort across engineering to increase the number of women entering the profession and addressing their progression and retention.

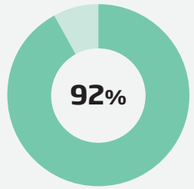
03. The gender pay gap for engineers is largely due to **under representation of women in more senior and higher paid roles.**



40% of pay variance for engineers in the sample is accounted for by career level



91% of those engineers in the top career grade were men



92% of those in the upper pay quartile were men

The difference in pay variance between a male and female engineer in the sample is

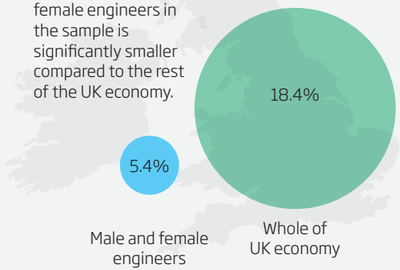
less than

1% **with all other factors being equal**

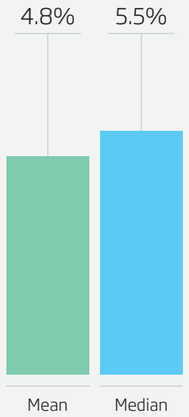
04. Engineers are more likely to receive a bonus **than the average employee.**

14% more male engineers receive a bonus than women

The mean bonus gap between male and female engineers in the sample is significantly smaller compared to the rest of the UK economy.



05. Transparency of pay structures and grades has **a big impact on the gender pay gap.**



The engineering gender pay gap is smaller in companies in the sample with clearly defined grades or career levels with pay ranges attached to them.

However the gender pay gap for engineers starts at entry level:

18-21 year olds	**5%**
22-29 year olds	**7.7%**

Questions board members should ask

01. Is the culture of the organisation one that encourages and supports diversity and inclusion? How do you know?

02. Is closing the gender pay gap for engineers a priority for the senior executive team? How is this evidenced? For example, are senior executives' bonuses contingent on achieving diversity and inclusion goals?

03. Does the organisation have a clear and transparent pay and progression policy with published salary ranges? If not, why not?

04. Are female engineers progressing in the same proportion as male engineers? If not, why not?

05. What is done to facilitate and encourage women's progression after a career break?

06. Do you understand how female engineers in your organisation feel about pay, reward and career progression?

07. What is the organisation doing to close the engineer gender pay gap more widely, with suppliers and partners and the profession as a whole?

Questions engineers should ask

01. Does my organisation have a clear and transparent pay and progression policy?

02. How serious is my new or current employer about really understanding and closing the gender pay gap?

03. Do I have a clear career plan? Do I know where I want to be in five years and how I can get there?

04. Do I know the market rate for my engineering role?

05. What will be the impact of a career break or parental leave on my future pay and progression?